

SENT VIA EMAIL

September 4, 2014

Jim Unland, President
San Jose Police Officers' Association (SJPOA)
1151 North Fourth Street
San Jose, CA 95112

RE: Police Officer Retention

Dear Jim:

Last week, we sent the POA a letter asking to meet with you to discuss developing a program to address Police Officer retention. When we met on Tuesday, September 2nd, to discuss a different topic, you asked if the City had anything in writing related to this program.

The City does not have a written proposal for the POA on this issue, but as mentioned, the Police Department had prepared something to introduce the concept. Attached please find a memo dated May 29, 2014. Please note that this memo is not signed or approved.

This memo was written three (3) months ago and generated discussion about the concept of a retention program. If there is mutual interest, we would like to work together to ensure the program does not create any additional unfunded liability in either the pension or retiree healthcare funds.

We are very aware of the experiences that other public entities have gone through with similar programs, and the goal would be to develop a program that avoids those issues.

We look forward to discussing this with you if there is mutual interest in this program. Please let us know which members of your team will be meeting with us and when the team would be available to meet.

Sincerely,



Alex Gurza
Deputy City Manager

Enclosure

c: Larry Esquivel, Chief of Police
Edgardo Garcia, Assistant Chief of Police
Jennifer Schembri, Deputy Director of Employee Relations
Gregg Adam, SJPOA Counsel
John Robb, Vice President POA
Franco Vado, Chief Financial Officer POA

Memorandum

TO: Ed Shikada, City Manager

FROM: Asst. Chief Edgardo Garcia

SUBJECT: Temporary Deferred
Retirement Program

DATE: 05-29-14

Approved

Date

The Police Department has been losing sworn staff at higher rate these past few years than ever before. We have seen our senior, experienced staff leave the Department and many leave prior to retirement. This has left the Department with a young, less experienced work force. Despite losing over 300 sworn staff in 2011 to 2013 through retirements and resignations, we anticipate another 170+ to retire through 2017. This is more than 17% of our trained sworn personnel.

Looking at experience in rank, 32% of sergeants, 80% of lieutenants and 100% of captains have less than 5 years experience in that rank. Overall experience in the Department, 46% of sworn staff have less than 15 years of experience on the job; only 24% overall have more than 20 years, almost half of which are of rank (sergeant or above). Sergeants and above account for almost 22% of our workforce and of this 22%, over half (53%) have 20 years of service or more. This means that in the next few years, these are the individuals that will be retiring, leaving the Department with a young workforce, experience-wise. Due to the high cost of retirement and medical retirement cost, there is an incentive to retire when eligible, rather than continuing to working for the Department. We've seen this reality in the retirement numbers. The Departments ability to adequately and safely staff our basic patrol function is taxed and will become more acute as anticipated resignations and retirements continue. Because sworn staff are retiring when they are eligible and our experienced workforce is dwindling, the Department should look to create an incentive for sworn staff to stay beyond retirement eligibility in order to better equip the Bureau of Field Operations, specifically Patrol.

A modified temporary Deferred Retirement system would assist us in retaining police officers who would otherwise retire and make our current staffing issues worse.

The main points that should be discussed and explored are the following:

- To create a program that slows retirements by encouraging veteran officers to remain with the Police Department
- A program that comes at no financial risk to the employee or the City
 - The money being placed into the account could be placed into a Money Market Fund or similar fund
 - Minimal staff work for Retirement Services
 - No UAAL created by market fluctuations (similar to what has occurred in other jurisdictions)

- Officers entering the program would be eligible to work in Patrol ONLY
- Participants would be retained at the rank of Officer or Sergeant
- The program should not negatively impact non-retirement eligible employees from vertical or lateral movement within the Department
- There would be a cap on the amount of time an member would be allowed to remain in this system (TBD)
- The program would be terminated on a set date, approximately 5 years from date of implementation or TBD
- This program is not meant to be permanent

By exploring this option we may be able to create an incentive for retire eligible employees to stay and assist with our critical patrol staffing levels. We believe this option is very much worth exploring and are hopeful that we can come to a successful resolution.

Edgardo Garcia
Assistant Chief of Police

